

**University of New Hampshire
Central Budget Committee
Annual Report – 2006/2007 Activity**

The Central Budget Committee had a very busy year in 2006/2007 with many major decisions being made to steer the future direction of financial decisions at UNH. The Central Budget Committee members were:

Chair:

J. Bonnie Newman – Interim President

Members:

John Aber - Vice President for Research and Public Service

David Bartlett - Associate Director of EOS (At-Large RC unit head appointed by the President)

Jeff Salloway - Professor of Health Management and Policy (Chair of the Faculty Senate)

Steve Bolander - Dean of Whittemore School of Business (Dean's Council Appointee) **through 12/31/06**

Joe Klewicki – Dean of College of Engineering and Physical Sciences (Dean's Council Appointee) **from 1/1/07 to 6/30/07**

Dick Cannon - Vice President for Finance and Administration

Jessie Knapp - Treasurer of the Graduate Student Fee Oversight Committee

Fred Kaen - Professor of Finance (Chair of the Faculty Senate Finance Committee)

Bruce Mallory – Provost and Executive Vice President

James McCarthy - Dean of Health and Human Services(Provost Appointee)

Jennifer Murray - Vice President for University Communications and Marketing

Kelly Gilpatrick - Chair of the Student Fee Oversight Committee

Dan Reid - Associate Professor of Decision Sciences (appointed by Provost from nominations by Agenda Committee)

Mark Rubinstein - Vice President for Student and Academic Services

Robert Woodward - Forrest D. McKerley Professor of Health Economics (appointed by Provost from nominations by Agenda Committee)

Anthony Zizos - Assistant Vice President for Business Affairs (At-Large RC unit head appointed by the President)

Staff:

Leigh Anne Melanson - Associate Provost for Academic Administration

David Proulx - Assistant Vice President for Financial Planning and Budgeting

Summaries of all meetings can be found at <http://www.unh.edu/budget/cbcschedule.htm>

Major recommendations made by the CBC to the President include:

- Change the charge to the CBC related to strategic funding to defer all decisions to the President of UNH and change the charge regarding RC unit strategic planning to defer this function to the UNH Provost.
- Recommendation to take 3% of indirect cost recovery revenue and use for purpose of strategic initiative funding to be administered by the VP for Research. This was a recommendation from the RCM 5 Year review and vetted through a research subcommittee. This recommendation was approved by President Newman.
- Recommendation to reduce the weighting on revenues and personnel for UNHM from .5 to .3 for purposes of calculating the general assessment. The rationale was UNHM's location and mission require them to fund a significant amount of overhead services on their own and thus consume very few of the services provided via the general assessment. President Newman approved this recommendation.

- Recommendation to increase the fees of the RC Gulf Challenger marine vessel due to increased cost of operations and maintenance. President Newman approved this recommendation.
- Recommendation to approve the FY08 Indirect Cost Recovery budget of \$18 million representing a significant decrease from FY07 projections. The decrease is attributed to a change in funding by the Federal government to a more competitive environment. UNH has a significant amount of funding from direct government allocations and needs to switch to more competitive awards. A strategic plan for research at UNH is needed to determine the strategic goals and initiatives for UNH. The budget recommendation was approved by President Newman
- Recommendation to approve the hold harmless reallocation of \$1.2 million for FY08 and redistribute \$1 million of proceeds to academic and research units via the faculty salary model and \$200k for strategic initiatives. This was approved by President Newman.
- Recommendation to approve the FY08 Facilities budget and net square footage rates at a maximum of 2.9% over FY07 levels based on projected costs and activity levels. Approved by President Newman.
- Recommendation to approve increase in charge out rates for housing, dining and the conference office. Rates have not been increased in two years and are being increased at the rate of the approved student fee increases. Approved by President Newman.
- Recommendation to approve state appropriation allocation model for FY08 pending final state budget. Approved by President Newman.
- Recommendation to approve general assessment allocation for FY08 to all RC units. Approved by President Newman.
- Recommendation to approve net tuition allocation to RC units pending final tuition rates approved by the board. Approved by President Newman.
- Recommendation to approve new internal fees and internal fees above inflationary levels. Please see <http://www.unh.edu/budget/internalfees.html> Approved by President Newman.

In addition, the CBC had numerous discussions on the following items which will result in follow up in FY08:

- 1) The need for a reserves policy that is flexible and comprehensive. Draft versions were reviewed in FY07 and a final version for approval will be presented in FY08.
- 2) The University's structural financial deficit – the magnitude, long term financial plans and mitigation efforts. This will be an ongoing discussion and a primary focus during FY08.
- 3) Review of hold harmless and general assessment allocations. FY08 allocations were approved and units are submitting plans for FY09-FY12. The CBC will be involved in the review of these plans and making recommendations to the cabinet and the President.
- 4) Discussion of USNH's budget and UNH allocation of that budget. The CBC met with Chancellor Reno and Vice Chancellor Mackay to discuss the details of the budget.
- 5) Discussion of the need to fund UNH Foundation initiatives for preparation of the next capital campaign.
- 6) Updates on the Landfill Gas Project and potential financial benefits.
- 7) Review of outstanding RCM review follow up items and timing. It was determined that many of the items on that list can not be addressed until AAUP contract has been settled.

UNH continues to operate in a structural deficit situation with ongoing challenges in state funding, financial aid, medical costs and energy. The CBC continues to be updated on these areas and takes this

into consideration with each decision that is made. The CBC will reconvene in September, 2007 for FY08 work. Please visit <http://www.unh.edu/budget/cbcindex.htm> for additional information.